

**AmInvestment Bank Berhad
and its subsidiary companies
(23742-V)(Incorporated in Malaysia. Licensed Investment Bank)**

UNAUDITED BALANCE SHEETS AS AT 30 JUNE 2007

	Note	Group		Bank	
		30.06.07 RM'000	31.03.07 RM'000	30.06.07 RM'000	31.03.07 RM'000
ASSETS					
Cash and short-term funds		2,761,831	3,483,697	2,671,849	3,276,782
Securities purchased under resale agreements		863,318	393,329	824,162	374,155
Deposits and placements with banks and other financial institutions		1,192,008	1,828,841	1,191,245	1,924,828
Securities held-for-trading	8	4,939,729	5,734,091	4,923,003	5,700,187
Securities available-for-sale	9	2,216,034	3,419,740	2,197,780	3,401,440
Securities held-to-maturity	10	1,173,967	1,191,597	1,129,684	1,146,967
Derivative financial assets		322,844	380,742	322,844	380,742
Loans, advances and financing	11	4,223,397	4,181,657	4,176,289	4,096,669
Other assets	12	1,113,647	1,060,264	579,121	829,926
Statutory deposit with Bank Negara Malaysia		202,649	169,050	202,649	169,050
Investments in subsidiary companies		-	-	154,872	154,872
Investments in associated companies		2,575	2,590	138	138
Prepaid land lease payments		2,701	2,716	2,701	2,716
Property and equipment		36,902	36,758	33,099	33,013
Deferred tax assets		44,293	43,468	43,083	43,083
Intangible assets		50,436	50,591	3,394	3,558
TOTAL ASSETS		19,146,331	21,979,131	18,455,913	21,538,126
LIABILITIES AND EQUITY					
Deposits from customers	13	5,886,400	5,251,328	5,814,251	5,046,701
Deposits and placements of banks and other financial institutions	14	8,683,005	9,837,132	8,693,143	9,921,613
Derivative financial liabilities		288,703	333,670	288,703	333,670
Obligations on securities sold under repurchase agreements		189,101	2,789,379	189,101	2,789,379
Recourse obligations on loans sold to Cagamas Berhad		48,650	52,421	48,650	52,421
Other liabilities	15	1,334,848	1,123,813	842,285	896,302
Term loans		135,392	103,680	103,605	103,680
Redeemable unsecured subordinated bonds		595,000	595,000	595,000	595,000
Total Liabilities		17,161,099	20,086,423	16,574,738	19,738,766
Share capital		340,000	340,000	340,000	340,000
Reserves		1,645,232	1,552,708	1,541,175	1,459,360
Equity attributable to equity holders of the Bank		1,985,232	1,892,708	1,881,175	1,799,360
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		19,146,331	21,979,131	18,455,913	21,538,126

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UNAUDITED BALANCE SHEETS AS AT 30 JUNE 2007 (CONTD.)

	Note	Group		Bank	
		30.06.07 RM'000	31.03.07 RM'000	30.06.07 RM'000	31.03.07 RM'000
COMMITMENTS AND CONTINGENCIES	26	43,535,951	42,778,034	43,516,227	42,774,969
NET ASSETS PER ORDINARY SHARE (RM)		8.27	7.89	7.84	7.50
NET ASSETS PER ORDINARY SHARE, AFTER DEDUCTING THE NOMINAL AMOUNT OF PREFERENCE SHARE CAPITAL (RM)		7.86	7.47	7.42	7.08
CAPITAL ADEQUACY	30				
Before deducting proposed dividends					
Core Capital Ratio		10.88%	11.75%	11.32%	12.00%
Risk-Weighted Capital Ratio		14.56%	15.71%	14.38%	15.22%
After deducting proposed dividends					
Core Capital Ratio		10.40%	11.23%	10.82%	11.46%
Risk-Weighted Capital Ratio		14.08%	15.18%	13.87%	14.68%

The Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 March 2007.

AmInvestment Bank Berhad
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UNAUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2007

Group	Note	Individual Quarter		Cumulative Quarter	
		30.06.07 RM'000	30.06.06 RM'000	30.06.07 RM'000	30.06.06 RM'000
Revenue		324,785	218,693	324,785	218,693
Interest income	16	197,264	187,565	197,264	187,565
Interest expense	17	(162,806)	(143,256)	(162,806)	(143,256)
Net interest income		34,458	44,309	34,458	44,309
Net income from Islamic banking business		14,757	4,317	14,757	4,317
Other operating income	18	112,764	26,811	112,764	26,811
Net income		161,979	75,437	161,979	75,437
Other operating expenses	19	(69,612)	(39,164)	(69,612)	(39,164)
Operating profit		92,367	36,273	92,367	36,273
Writeback of allowance for losses on loans and financing	20	22,090	4,056	22,090	4,056
Impairment writeback on:					
Securities		6,400	885	6,400	885
Assets acquired in exchange of debts		72	-	72	-
Transfer (to)/from profit equalisation reserve		(32)	181	(32)	181
Writeback of allowance/(Allowance) for doubtful sundry receivables- net		296	(224)	296	(224)
Writeback of provision for commitments		297	324	297	324
Profit before share in results of associated companies		121,490	41,495	121,490	41,495
Share in results of associated companies		(15)	923	(15)	923
Profit before taxation		121,475	42,418	121,475	42,418
Taxation		(30,514)	(11,299)	(30,514)	(11,299)
Net profit attributable to shareholder of the Bank		90,961	31,119	90,961	31,119
EARNINGS PER SHARE (SEN)					
Basic		37.90	12.97	37.90	12.97
Fully diluted		26.75	9.15	26.75	9.15

The Income Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2007.

AmInvestment Bank Berhad
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UNAUDITED CONSOLIDATED INCOME STATEMENTS (CONTD.)
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2007

Bank	Note	Individual Quarter		Cumulative Quarter	
		30.06.07	30.06.06	30.06.07	30.06.06
		RM'000	RM'000	RM'000	RM'000
Revenue		295,812	199,992	295,812	199,992
Interest income	16	196,203	184,086	196,203	184,086
Interest expense	17	(163,375)	(140,915)	(163,375)	(140,915)
Net interest income		32,828	43,171	32,828	43,171
Net income from Islamic banking business		14,563	4,149	14,563	4,149
Other operating income	18	85,046	11,757	85,046	11,757
Net income		132,437	59,077	132,437	59,077
Other operating expenses	19	(54,302)	(31,907)	(54,302)	(31,907)
Operating profit		78,135	27,170	78,135	27,170
Writeback of allowance for losses on loans and financing	20	21,517	4,519	21,517	4,519
Impairment writeback on:					
Securities		6,400	885	6,400	885
Assets acquired in exchange of debts		72	-	72	-
Transfer from profit equalisation reserve		-	181	-	181
Writeback of allowance/(Allowance) for doubtful sundry receivables- net		44	(224)	44	(224)
Writeback of provision for commitments		297	324	297	324
Profit before taxation		106,465	32,855	106,465	32,855
Taxation		(27,161)	(10,321)	(27,161)	(10,321)
Net profit attributable to shareholder of the Bank		79,304	22,534	79,304	22,534
EARNINGS PER SHARE (SEN)					
Basic		33.04	9.39	33.04	9.39
Fully diluted		23.32	6.63	23.32	6.63

The Income Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2007.

AmInvestment Bank Berhad
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UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2007

Group	-----Attributable to equity holder of the Bank----->								
	Non-distributable						Distributable		Total shareholder's equity RM'000
	Share capital RM'000	ICULS RM'000	Capital reserve RM'000	Share premium RM'000	Statutory reserve RM'000	Available-for- sale reserve RM'000	Exchange fluctuation reserve RM'000	Unappropriated profits RM'000	
At 1 April 2006	310,000	120,000	2,815	100,284	329,549	(3,055)	27,179	824,181	
Net unrealised loss on revaluation of securities available-for-sale	-	-	-	-	-	(11,558)	-	-	(11,558)
Interest on ICULS	-	-	-	-	-	-	-	(1,795)	(1,795)
Exchange fluctuation adjustments	-	-	-	-	-	-	175	-	175
Net expense recognised directly in equity	-	-	-	-	-	(11,558)	175	(1,795)	(13,178)
Profit for the period	-	-	-	-	-	-	-	31,119	31,119
Total recognised income/(expense) for the period	-	-	-	-	-	(11,558)	175	29,324	17,941
At 30 June 2006	310,000	120,000	2,815	100,284	329,549	(14,613)	27,354	853,505	1,728,894
At 1 April 2007	340,000	-	2,815	190,284	389,500	12,880	28,477	928,752	1,892,708
Net unrealised gain on revaluation of securities available-for-sale	-	-	-	-	-	2,416	-	-	2,416
Exchange fluctuation adjustments	-	-	-	-	-	-	(853)	-	(853)
Net income/(expense) recognised directly in equity	-	-	-	-	-	2,416	(853)	-	1,563
Profit for the period	-	-	-	-	-	-	-	90,961	90,961
Total recognised income and expense for the period	-	-	-	-	-	2,416	(853)	90,961	92,524
At 30 June 2007	340,000	-	2,815	190,284	389,500	15,296	27,624	1,019,713	1,985,232

The Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2007.

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UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTD.)
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2007

Bank	<-----Attributable to equity holder of the Bank----->							
	Non-distributable					Distributable		Total shareholder's equity RM'000
	Share capital RM'000	ICULS RM'000	Share premium RM'000	Statutory reserve RM'000	Available-for- sale reserve RM'000	Exchange fluctuation reserve RM'000	Unappropriated profits RM'000	
At 1 April 2006	310,000	120,000	100,284	329,549	(3,410)	-	778,330	
Net unrealised loss on revaluation of securities available-for-sale	-	-	-	-	(11,704)	-	-	(11,704)
Interest on ICULS	-	-	-	-	-	-	(1,795)	(1,795)
Exchange fluctuation adjustments	-	-	-	-	-	287	-	287
Net income/(expense) recognised directly in equity	-	-	-	-	(11,704)	287	(1,795)	(13,212)
Profit for the period	-	-	-	-	-	-	22,534	22,534
Total recognised income and expense for the period	-	-	-	-	(11,704)	287	20,739	9,322
Issued during the period	-	-	-	-	-	-	-	-
At 30 June 2006	310,000	120,000	100,284	329,549	(15,114)	287	799,069	1,644,075
At 1 April 2007	340,000	-	190,284	389,500	12,828	8,291	858,457	1,799,360
Net unrealised gain on revaluation of securities available-for-sale	-	-	-	-	2,416	-	-	2,416
Exchange fluctuation adjustments	-	-	-	-	-	95	-	95
Net expense recognised directly in equity	-	-	-	-	2,416	95	-	2,511
Profit for the period	-	-	-	-	-	-	79,304	79,304
Total recognised income and expense for the period	-	-	-	-	2,416	95	79,304	81,815
At 30 June 2007	340,000	-	190,284	389,500	15,244	8,386	937,761	1,881,175

The Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2007.

**AmInvestment Bank Berhad
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**UNAUDITED CONDENSED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007**

	Group		Bank	
	30.06.07	30.06.06	30.06.07	30.06.06
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	121,475	42,418	106,465	32,855
Add adjustments for non-operating and non cash items	(50,033)	(9,627)	(50,017)	(9,457)
Operating profit before working capital changes	71,442	32,791	56,448	23,398
Decrease in operating assets	554,625	1,086,702	928,925	1,073,314
Decrease in operating liabilities	(2,649,041)	(1,419,284)	(2,853,253)	(1,395,082)
Cash used in operations	(2,022,974)	(299,791)	(1,867,880)	(298,370)
Taxation paid	(22,117)	(20,202)	(19,737)	(20,043)
Net cash used in operating activities	(2,045,091)	(319,993)	(1,887,617)	(318,413)
Net cash generated from/(used in) investing activities	1,242,685	(918,698)	1,229,335	(923,339)
Net cash generated from/(used in) financing activities	31,712	(2,440)	-	(1,795)
	1,274,397	(921,138)	1,229,335	(925,134)
Net decrease in cash and cash equivalents	(770,694)	(1,241,131)	(658,282)	(1,243,547)
Cash and cash equivalents at beginning of period	3,457,791	3,106,184	3,256,086	2,992,725
Cash and cash equivalents at end of period	2,687,097	1,865,053	2,597,804	1,749,178

Note 1 : Cash and cash equivalents

For the purpose of the cash flow statements, cash and cash equivalents consist of cash and short-term funds excluding deposits and monies held in trust net of bank overdraft. Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	Group		Bank	
	30.06.07	30.06.06	30.06.07	30.06.06
	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	2,761,831	1,865,053	2,671,849	1,749,178
Less: Cash and bank balances and deposit held in trust	(74,734)	-	(74,045)	-
	2,687,097	1,865,053	2,597,804	1,749,178

The Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2007.

EXPLANATORY NOTES :

1. ACCOUNTING POLICIES AND METHOD OF COMPUTATION

The interim financial statements have been prepared in accordance with Financial Reporting Standards ("FRS") 134, Interim Financial Reporting, issued by Malaysian Accounting Standards Board ("MASB") should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2007.

The accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the previous audited annual financial statements except for the adoption of FRS 117 Leases issued by MASB that is effective for the Group and the Bank annual reporting date, 31 March 2008. The adoption of FRS 117 has resulted in changes in the accounting policies of the Group and the Bank and are disclosed in Note A32.

The specific and general allowances for loans, advances and financing of the Group and the Bank are computed based on BNM's guidelines on the "Classification of Non-Performing Loans and Provisions for Substandard, Bad and Doubtful Debts" ("BNM/GP3") requirements. However, the Group and the Bank has adopted a more stringent classification policy on non-performing loans, whereby loans are classified as non-performing and sub standard when repayments are in arrears for more than three (3) months from the first day of default or after maturity date.

Consistent with the previous year, the Group and the Bank adopted a more stringent basis for specific allowances on non-performing loans and are as follows:

- (i) Values assigned to collateral held for non-performing loans secured by properties is determined based on the realisable values of the properties on the following basis:
 - (a) assigning only fifty percent (50%) of the realisable value of the properties held as collateral for non-performing loans which are in arrears for more than five (5) years but less than seven (7) years; and
 - (b) no value assigned to the realisable value of the properties held as collateral for non-performing loans which are in arrears for more than seven (7) years.
- (ii) Specific allowance of 20.0% is provided on non-performing loans which are three (3) to less than six (6) months-in-arrears. Previously, specific allowance was only made when a non-performing loan was in arrears of 6 months and above.

The unaudited condensed interim financial statements incorporates those activities relating to the Islamic Banking business, which have been undertaken by the Group and the Bank. Islamic Banking business refers generally to the acceptance of deposits, dealing in Islamic securities, granting of financing, capital market and treasury activities under the Shariah principles.

2. AUDIT QUALIFICATION

There were no audit qualification in the audited annual financial statements for the year ended 31 March 2007.

3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The operations of the Group and the Bank are not materially affected by any seasonal or cyclical fluctuation in the current financial quarter and period.

4. UNUSUAL ITEMS

There were no unusual items during the current financial quarter and period.

5. USE OF ESTIMATES

There was no material change in estimates of amounts reported in the prior financial years that have a material effect on the financial quarter ended 30 June 2007.

6. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

The Bank has not issued any new shares or debentures during the financial quarter and period.

There were no share buy-back, share cancellation, shares held as treasury shares nor resale of treasury shares by the Bank during the financial quarter and period.

7. DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the current financial quarter.

8. SECURITIES HELD-FOR-TRADING

	Group		Bank	
	30.06.07 RM'000	31.03.07 RM'000	30.06.07 RM'000	31.03.07 RM'000
At Fair Value				
Money Market Securities:				
Malaysian Government Securities	369,353	1,401,040	369,353	1,401,040
Malaysian Government Investment Certificates	235,711	535,577	235,711	535,577
Cagamas bonds	35,014	60,230	35,014	60,230
Khazanah bonds	105,777	11,741	105,777	11,741
Cagamas Mudharabah bearer bonds	11,600	16,217	11,600	16,217
Negotiable Islamic Debt Certificates	12,942	60,082	12,942	60,082
Bank Negara Monetary Notes	249,754	413,656	249,754	413,656
Negotiable instruments of deposits	13,833	-	13,833	-
Islamic Bank Negara Monetary Notes	145,924	-	145,924	-
	<u>1,179,908</u>	<u>2,498,543</u>	<u>1,179,908</u>	<u>2,498,543</u>
Securities Quoted:				
In Malaysia:				
Shares	224,353	170,971	224,353	170,971
Trust units	87,058	88,330	87,058	88,330
Corporate bonds	16,313	33,922	-	-
Outside Malaysia:				
Shares	50,794	43,067	50,381	43,085
	<u>378,518</u>	<u>336,290</u>	<u>361,792</u>	<u>302,386</u>
Unquoted Private Debt Securities				
Of Companies Incorporated:				
In Malaysia:				
Corporate bonds	864,204	704,771	864,204	704,771
Corporate notes	50,168	50,224	50,168	50,224
Islamic corporate bonds	1,934,732	1,548,093	1,934,732	1,548,093
Islamic corporate notes	85,424	63,947	85,424	63,947
Outside Malaysia:				
Corporate bonds	251,429	119,185	251,429	119,185
	<u>3,185,957</u>	<u>2,486,220</u>	<u>3,185,957</u>	<u>2,486,220</u>

	Group		Bank	
	30.06.07 RM'000	31.03.07 RM'000	30.06.07 RM'000	31.03.07 RM'000
Unquoted Guaranteed Private Debt				
Securities Of Companies				
Incorporated In Malaysia:				
Corporate bonds	153,595	239,745	153,595	239,745
Corporate notes	9,921	39,749	9,921	39,749
Islamic corporate bonds	31,830	103,119	31,830	103,119
Islamic corporate notes	-	30,425	-	30,425
	<u>195,346</u>	<u>413,038</u>	<u>195,346</u>	<u>413,038</u>
Total securities held-for-trading	<u>4,939,729</u>	<u>5,734,091</u>	<u>4,923,003</u>	<u>5,700,187</u>
9. SECURITIES AVAILABLE-FOR-SALE				
At Fair Value				
Money Market Securities:				
Negotiable instruments of deposits	<u>1,179,329</u>	<u>2,580,599</u>	<u>1,179,329</u>	<u>2,580,599</u>
Unquoted Private Debt Securities				
Of Companies Incorporated				
In Malaysia:				
Corporate bonds	97,214	96,920	97,214	96,920
Islamic corporate bonds	762,029	576,186	744,745	558,857
	<u>859,243</u>	<u>673,106</u>	<u>841,959</u>	<u>655,777</u>
Debt Equity Converted Securities:				
Quoted in Malaysia				
Shares - with options	15,713	15,172	15,713	15,172
Shares	5,537	5,634	5,537	5,634
Corporate bonds	4,411	-	4,411	-
Loan stocks	8,291	-	8,291	-
Unquoted securities outside Malaysia				
Shares	970	971	-	-
	<u>34,922</u>	<u>21,777</u>	<u>33,952</u>	<u>20,806</u>
Unquoted Guaranteed Private Debt				
Securities Of Companies				
Incorporated In Malaysia:				
Corporate bonds	142,540	144,258	142,540	144,258
Total securities available-for-sale	<u>2,216,034</u>	<u>3,419,740</u>	<u>2,197,780</u>	<u>3,401,440</u>

10. SECURITIES HELD-TO-MATURITY

	Group		Bank	
	30.06.07 RM'000	31.03.07 RM'000	30.06.07 RM'000	31.03.07 RM'000
At Amortised Cost:				
Money Market Securities:				
Negotiable Instrument of Deposit	90,434	89,589	90,434	89,589
Quoted Securities:				
In Malaysia:				
Shares	2	2	-	-
Corporate bonds	-	-	-	-
Islamic Corporate bonds	27,628	34,560	-	-
Trust Units	1,002	1,001	1,002	1,001
Outside Malaysia:				
Islamic Corporate bonds	6,907	-	-	-
	<u>35,539</u>	<u>35,563</u>	<u>1,002</u>	<u>1,001</u>
Unquoted Securities Of Companies				
Incorporated:				
In Malaysia:				
Shares	60,588	60,588	60,588	60,588
Corporate bonds	100	100	100	100
Outside Malaysia:				
Shares	6,319	7,580	6,319	7,580
	<u>67,007</u>	<u>68,268</u>	<u>67,007</u>	<u>68,268</u>
Debt Equity Converted Securities:				
Quoted in Malaysia:				
Loan stocks - collateralised	971	971	-	-
Loan stocks	417,204	424,490	417,204	424,490
Unquoted securities of companies incorporated in Malaysia:				
Shares	1,679	1,679	-	-
Corporate bonds	354,499	356,556	333,034	334,760
	<u>774,353</u>	<u>783,696</u>	<u>750,238</u>	<u>759,250</u>
Unquoted Private Debt Securities Of Companies Incorporated:				
In Malaysia:				
Islamic corporate bonds	192,796	193,598	192,796	193,598
Corporate bonds and notes denominated in USD	50,373	56,871	50,373	56,871
Outside Malaysia:				
Corporate bonds and notes denominated in USD	103,605	103,680	103,605	103,680
	<u>346,774</u>	<u>354,149</u>	<u>346,774</u>	<u>354,149</u>

10. SECURITIES HELD-TO-MATURITY (CONTD.)

	Group		Bank	
	30.06.07	31.03.07	30.06.07	31.03.07
	RM'000	RM'000	RM'000	RM'000
Unquoted Guaranteed Private Debt				
Securities Of Companies				
Incorporated In Malaysia:				
Corporate bonds	78,314	79,216	78,314	79,216
Total	1,392,421	1,410,481	1,333,769	1,351,473
Accumulated impairment losses	(218,454)	(218,884)	(204,085)	(204,506)
Total securities held-to-maturity	<u>1,173,967</u>	<u>1,191,597</u>	<u>1,129,684</u>	<u>1,146,967</u>

11. LOANS, ADVANCES AND FINANCING

	Group		Bank	
	30.06.07	31.03.07	30.06.07	31.03.07
	RM'000	RM'000	RM'000	RM'000
Term loans and revolving credits				
Customers	4,404,060	4,364,635	4,332,277	4,254,404
Related companies	30,030	31,295	30,030	31,295
Staff loans	24,818	25,055	24,058	24,268
Gross loans, advances and financing	<u>4,458,908</u>	<u>4,420,985</u>	<u>4,386,365</u>	<u>4,309,967</u>
Less:				
Allowance for bad and doubtful debts and financing:				
General	64,311	63,677	63,597	62,386
Specific	171,200	175,651	146,479	150,912
	<u>235,511</u>	<u>239,328</u>	<u>210,076</u>	<u>213,298</u>
Net loans, advances and financing	<u>4,223,397</u>	<u>4,181,657</u>	<u>4,176,289</u>	<u>4,096,669</u>

Loans, advances and financing analysed by their economic purposes are as follows:

	Group		Bank	
	30.06.07	31.03.07	30.06.07	31.03.07
	RM'000	RM'000	RM'000	RM'000
Working capital	1,859,429	1,876,776	1,793,858	1,775,019
Construction	703,409	750,864	703,409	750,864
Purchase of securities	697,478	622,876	697,478	622,876
Fixed assets	268,730	300,362	268,730	300,362
Merger and acquisition	221,746	207,044	221,746	207,044
Non-residential landed properties	162,805	200,638	156,638	194,471
Residential landed properties	51,475	51,749	50,746	51,216
Personal use	5,892	5,391	5,892	5,391
Purchase of transport vehicles	3,465	3,199	3,434	3,167
Other purpose	484,479	402,086	484,434	399,557
Gross loans, advances and financing	<u>4,458,908</u>	<u>4,420,985</u>	<u>4,386,365</u>	<u>4,309,967</u>

Loans, advances and financing analysed by type of customers are as follows:

	Group		Bank	
	30.06.07	31.03.07	30.06.07	31.03.07
	RM'000	RM'000	RM'000	RM'000
Domestic :				
Other non-bank financial institutions	80,154	121,453	80,154	121,453
Business enterprises:				
Small medium enterprises	199,614	208,749	199,614	208,528
Others	3,727,955	3,615,883	3,682,351	3,566,541
Government and statutory bodies	19,849	57,489	19,850	22,918
Individuals	257,716	268,461	256,956	267,896
Foreign entities	173,620	148,950	147,440	122,631
	<u>4,458,908</u>	<u>4,420,985</u>	<u>4,386,365</u>	<u>4,309,967</u>

Loans, advances and financing analysed by interest rate sensitivity are as follows:

	Group		Bank	
	30.06.07	31.03.07	30.06.07	31.03.07
	RM'000	RM'000	RM'000	RM'000
Variable rate				
Cost-plus	3,666,490	3,757,465	3,620,869	3,711,708
Other variable rates	104,545	137,867	78,429	75,938
	<u>3,771,035</u>	<u>3,895,332</u>	<u>3,699,298</u>	<u>3,787,646</u>
Fixed rate				
Housing loans	21,331	21,833	20,624	21,101
Hire purchase receivables	3,487	3,222	3,434	3,167
Other fixed rates	663,055	500,598	663,009	498,053
	<u>687,873</u>	<u>525,653</u>	<u>687,067</u>	<u>522,321</u>
	<u>4,458,908</u>	<u>4,420,985</u>	<u>4,386,365</u>	<u>4,309,967</u>

Movements in non-performing loans, advances and financing are as follows:

	Group		Bank	
	30.06.07	31.03.07	30.06.07	31.03.07
	RM'000	RM'000	RM'000	RM'000
Balance at beginning of period/year	364,131	530,269	329,423	497,739
Non-performing during the period/year	28,245	63,991	28,238	63,991
Reclassification to performing loans, advances and financing	-	(8,585)	-	(8,585)
Debt equity conversion	(32,807)	-	(32,807)	-
Recoveries	(11,863)	(59,228)	(11,863)	(59,228)
Amount written off	(320)	(173,128)	(320)	(173,128)
Exchange fluctuation adjustment	(15)	2,001	(10)	(177)
Transfer from stock and share-broking operations	(11)	8,811	(11)	8,811
Balance at end of period/year	<u>347,360</u>	<u>364,131</u>	<u>312,650</u>	<u>329,423</u>
Specific allowance	<u>(171,200)</u>	<u>(175,651)</u>	<u>(146,479)</u>	<u>(150,912)</u>
Non-performing loans, advances and financing - net	<u>176,160</u>	<u>188,480</u>	<u>166,171</u>	<u>178,511</u>
Ratios of non-performing loans, advances and financing to total loans, advances and financing - net	<u>4.11%</u>	<u>4.44%</u>	<u>3.92%</u>	<u>4.29%</u>

Non-performing loans, advances and financing analysed by their economic purposes are as follows:

	Group		Bank	
	30.06.07	31.03.07	30.06.07	31.03.07
	RM'000	RM'000	RM'000	RM'000
Working capital	178,444	180,707	149,901	152,166
Construction	81,065	117,146	81,065	117,146
Non-residential landed properties	16,803	16,803	10,636	10,636
Merger and acquisition	15,000	15,020	15,000	15,020
Purchase of securities	14,681	14,336	14,681	14,336
Personal use	4,390	4,390	4,390	4,390
Purchase of transport vehicles	65	65	65	65
Other purpose	36,912	15,664	36,912	15,664
	347,360	364,131	312,650	329,423

Movements in allowances for bad and doubtful debts and financing are as follows:

	Group		Bank	
	30.06.07	31.03.07	30.06.07	31.03.07
	RM'000	RM'000	RM'000	RM'000
General allowance				
Balance at beginning of period/year	63,677	63,925	62,386	61,553
Reversal of allowance during the period/year	634	(1,260)	1,207	(277)
Transfer from stock and share-broking operations	-	1,321	-	1,321
Exchange fluctuation adjustments	-	(309)	4	(211)
Balance at end of period/year	64,311	63,677	63,597	62,386
% of total loans, advances and financing less specific allowances	1.50%	1.50%	1.50%	1.50%

Specific allowance

Balance at beginning of period/year	175,651	235,984	150,912	222,357
Allowance during the period/year	8,388	122,090	8,388	109,868
Amount written back in respect of recoveries and reversals	(4,104)	(16,777)	(4,104)	(16,777)
Net charge to income statements	4,284	105,313	4,284	93,091
Debt equity conversion	(12,000)	-	(12,000)	-
Amount written off	(320)	(173,278)	(320)	(173,278)
Transfer from stock and share-broking operations	3,602	8,741	3,602	8,741
Exchange fluctuation adjustments	(17)	(1,109)	1	1
Balance at end of period/year	171,200	175,651	146,479	150,912

12. OTHER ASSETS

	Group		Bank	
	30.06.07 RM'000	31.03.07 RM'000	30.06.07 RM'000	31.03.07 RM'000
Trade receivables, net of allowance for doubtful debts	790,248	666,909	258,576	452,696
Other receivables, deposits and prepayments, net of allowance for doubtful debts	147,308	195,369	131,347	178,328
Interest/Dividends receivable	103,967	104,399	103,068	103,731
Amount due from Originators	48,650	52,421	48,650	52,421
Amount due from brokers	11,281	22,671	11,281	22,671
Amount due from:				
Ultimate holding company	5,137	3,561	5,137	3,561
Subsidiary companies	-	-	13,786	1,691
Related companies	4,081	8,102	4,301	7,995
Assets acquired in exchange of debts, net of impairment loss	2,975	6,832	2,975	6,832
	<u>1,113,647</u>	<u>1,060,264</u>	<u>579,121</u>	<u>829,926</u>

Amount due from Originators represent loans, hire purchase and leasing receivables acquired from the Originators for onward sale to Cagamas Berhad.

Amounts due from ultimate holding company, subsidiary companies and other related companies are unsecured, interest-free and represent expenses paid on behalf and interest receivable.

13. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	30.06.07 RM'000	31.03.07 RM'000	30.06.07 RM'000	31.03.07 RM'000
Term/Investment deposits	4,773,537	4,822,143	4,701,388	4,617,516
Negotiable instruments of deposits	-	300	-	300
Other deposits	1,112,863	428,885	1,112,863	428,885
	<u>5,886,400</u>	<u>5,251,328</u>	<u>5,814,251</u>	<u>5,046,701</u>

The deposits are sourced from the following types of customers:

	Group		Bank	
	30.06.07 RM'000	31.03.07 RM'000	30.06.07 RM'000	31.03.07 RM'000
Business enterprises	4,226,422	3,252,167	4,157,680	3,050,923
Individuals	2,369	35,768	-	33,410
Government	770,565	738,043	770,565	738,043
Others	887,044	1,225,350	886,006	1,224,325
	<u>5,886,400</u>	<u>5,251,328</u>	<u>5,814,251</u>	<u>5,046,701</u>

14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	30.06.07 RM'000	31.03.07 RM'000	30.06.07 RM'000	31.03.07 RM'000
Licensed banks:				
Subsidiary	-	-	76,136	116,486
Related	2,741,556	4,397,316	2,741,556	4,397,316
Others	1,529,660	1,373,390	1,493,398	1,373,389
Bank Negara Malaysia	-	9,100	-	9,100
Other financial institutions	4,411,789	4,057,326	4,382,053	4,025,322
	<u>8,683,005</u>	<u>9,837,132</u>	<u>8,693,143</u>	<u>9,921,613</u>

15. OTHER LIABILITIES

	Group		Bank	
	30.06.07	31.03.07	30.06.07	31.03.07
	RM'000	RM'000	RM'000	RM'000
Trade payables	856,735	754,012	391,076	584,108
Other payables and accruals	214,943	244,642	194,342	190,704
Provision for commitments	2	299	2	299
Amount due to related companies	12,753	14,678	12,796	14,669
Taxation payable	6,089	4,290	(75)	780
Zakat payable	38	38	38	38
Profit equalisation reserve	277	245	95	95
Securities sold not yet-repurchased	231,408	98,209	231,408	98,209
Proposed preference dividends	7,400	7,400	7,400	7,400
Valuation adjustment on securities held for trading	5,203	-	5,203	-
	<u>1,334,848</u>	<u>1,123,813</u>	<u>842,285</u>	<u>896,302</u>

Amount due to subsidiary companies and related companies represent interest payable on deposit placements.

The movements in profit equalisation reserve are as follows:

	Group		Bank	
	30.06.07	31.03.07	30.06.07	31.03.07
	RM'000	RM'000	RM'000	RM'000
Balance at beginning of period/year	245	276	95	276
Amount written back	32	(25)	-	(181)
Exchange fluctuation adjustments	-	(6)	-	-
Balance at end of period/year	<u>277</u>	<u>245</u>	<u>95</u>	<u>95</u>

16. INTEREST INCOME

Group	Individual Quarter		Cumulative Quarter	
	30.06.07 RM'000	30.06.06 RM'000	30.06.07 RM'000	30.06.06 RM'000
Short-term funds and deposits with financial institutions	49,397	36,853	49,397	36,853
Securities held-for-trading	40,390	55,610	40,390	55,610
Securities available-for-sale	32,763	11,782	32,763	11,782
Securities held-to-maturity	1,084	6,606	1,084	6,606
Loans and advances				
- Interest income other than recoveries from NPLs	65,473	56,892	65,473	56,892
- Recoveries from NPLs	6,837	10,660	6,837	10,660
Others	635	261	635	261
Gross interest income	196,579	178,664	196,579	178,664
Amortisation of premiums less accretion of discounts	728	8,901	728	8,901
Interest suspended	(43)	-	(43)	-
Total after net interest suspension	197,264	187,565	197,264	187,565
Bank				
	Individual Quarter		Cumulative Quarter	
	30.06.07 RM'000	30.06.06 RM'000	30.06.07 RM'000	30.06.06 RM'000
Short-term funds and deposits with financial institutions	49,839	35,726	49,839	35,726
Securities held-for-trading	40,014	55,317	40,014	55,317
Securities available-for-sale	32,763	11,782	32,763	11,782
Securities held-to-maturity	1,025	6,606	1,025	6,606
Loans and advances				
- Interest income other than recoveries from NPLs	64,620	54,835	64,620	54,835
- Recoveries from NPLs	6,837	10,660	6,837	10,660
Others	420	259	420	259
Gross interest income	195,518	175,185	195,518	175,185
Amortisation of premiums less accretion of discounts	728	8,901	728	8,901
Interest suspended	(43)	-	(43)	-
Total after net interest suspension	196,203	184,086	196,203	184,086

17. INTEREST EXPENSE

Group	Individual Quarter		Cumulative Quarter	
	30.06.07 RM'000	30.06.06 RM'000	30.06.07 RM'000	30.06.06 RM'000
Deposits from customers	73,269	82,329	73,269	82,329
Deposit of banks and other financial institutions	56,423	24,913	56,423	24,913
Securities sold under repurchase agreements	16,718	21,275	16,718	21,275
Subordinated deposits and term loans	1,455	3,568	1,455	3,568
Securities sold not yet repurchased	1,130	631	1,130	631
Redeemable unsecured bonds	9,053	9,053	9,053	9,053
Others	4,758	1,487	4,758	1,487
	162,806	143,256	162,806	143,256

Bank	Individual Quarter		Cumulative Quarter	
	30.06.07 RM'000	30.06.06 RM'000	30.06.07 RM'000	30.06.06 RM'000
Deposits from customers	72,006	79,941	72,006	79,941
Deposit of banks and other financial institutions	58,255	28,523	58,255	28,523
Securities sold under repurchase agreements	16,718	21,294	16,718	21,294
Subordinated deposits and term loans	1,455	-	1,455	-
Securities sold not yet repurchased	1,130	631	1,130	631
Redeemable unsecured bonds	9,053	9,053	9,053	9,053
Others	4,758	1,473	4,758	1,473
	163,375	140,915	163,375	140,915

18. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	30.06.07 RM'000	30.06.06 RM'000	30.06.07 RM'000	30.06.06 RM'000
Fee income:				
Fees on loans and advances	2,136	5,121	2,136	5,121
Corporate advisory fees	11,239	4,004	11,239	4,004
Guarantee fees	1,764	6,263	1,764	6,263
Underwriting commissions	919	2,474	919	2,474
Portfolio management fees	4,558	2,371	4,558	2,371
Unit trust management fees	13,319	8,298	13,319	8,298
Property trust management fees	-	507	-	507
Brokerage fees and commissions	42,801	-	42,801	-
Other fee income	10,334	1,185	10,334	1,185
	<u>87,070</u>	<u>30,223</u>	<u>87,070</u>	<u>30,223</u>
Investment and trading income:				
Net gain/(loss) from sale of securities held-for-trading	79,233	(11,394)	79,233	(11,394)
Net gain from sale of securities available-for-sale	669	-	669	-
Net gain on redemption of securities held-to-maturity	3,039	14,886	3,039	14,886
(Loss)/Gain on revaluation of derivatives	(10,918)	13,841	(10,918)	13,841
Gross dividend income from:				
Securities held-for-trading	3,159	799	3,159	799
Securities held-to-maturity	613	613	613	613
Loss on revaluation of securities held-for-trading	(50,908)	(22,910)	(50,908)	(22,910)
	<u>24,887</u>	<u>(4,165)</u>	<u>24,887</u>	<u>(4,165)</u>
Other income:				
Foreign exchange gain	322	43	322	43
Gain on disposal of property and equipment - net	6	13	6	13
Rental income	343	520	343	520
Other non-operating income	136	177	136	177
	<u>807</u>	<u>753</u>	<u>807</u>	<u>753</u>
	<u>112,764</u>	<u>26,811</u>	<u>112,764</u>	<u>26,811</u>

18. OTHER OPERATING INCOME (CONTD.)

Bank	Individual Quarter		Cumulative Quarter	
	30.06.07	30.06.06	30.06.07	30.06.06
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Fees on loans and advances	2,121	5,073	2,121	5,073
Corporate advisory fees	11,064	3,874	11,064	3,874
Guarantee fees	1,488	1,059	1,488	1,059
Underwriting commissions	785	2,474	785	2,474
Brokerage fees and commissions	33,396	-	33,396	-
Other fee income	10,247	2,503	10,247	2,503
	<u>59,101</u>	<u>14,983</u>	<u>59,101</u>	<u>14,983</u>
Investment and trading income:				
Net gain/(loss) from sale of securities held-for-trading	78,917	(11,394)	78,917	(11,394)
Net gain from sale of securities available-for-sale	669	-	669	-
Net gain on redemption of securities held-to-maturity	3,040	14,837	3,040	14,837
(Loss)/Gain on revaluation of derivatives	(10,730)	13,834	(10,730)	13,834
Gross dividend income from:				
Unquoted subsidiary companies	-	-	-	-
Securities held-for-trading	3,159	799	3,159	799
Securities held-to-maturity	613	613	613	613
Loss on revaluation of securities held-for-trading	(50,035)	(22,456)	(50,035)	(22,456)
	<u>25,633</u>	<u>(3,767)</u>	<u>25,633</u>	<u>(3,767)</u>
Other income:				
Foreign exchange gain/(loss)	(8)	24	(8)	24
Gain on disposal of property and equipment - net	5	13	5	13
Rental income	315	504	315	504
	<u>312</u>	<u>541</u>	<u>312</u>	<u>541</u>
	<u>85,046</u>	<u>11,757</u>	<u>85,046</u>	<u>11,757</u>

19. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	30.06.07	30.06.06	30.06.07	30.06.06
	RM'000	RM'000	RM'000	RM'000
Personnel/Staff costs				
- Salaries, allowances and bonuses	34,243	20,495	34,243	20,495
- Others	10,547	6,896	10,547	6,896
Establishment costs				
- Depreciation of property and equipment	1,684	1,309	1,684	1,309
- Amortisation of computer software	379	251	379	251
- Computerisation costs	3,390	1,335	3,390	1,335
- Rental	2,505	1,193	2,505	1,193
- Others	906	791	906	791
Marketing and communication expenses				
- Sales commission	508	518	508	518
- Advertising	1,232	1,436	1,232	1,436
- Travel and entertainment	1,763	695	1,763	695
- Others	1,950	858	1,950	858
Administration and general expenses				
- Professional fees	7,413	1,227	7,413	1,227
- Others	3,092	2,160	3,092	2,160
	<u>69,612</u>	<u>39,164</u>	<u>69,612</u>	<u>39,164</u>

Bank	Individual Quarter		Cumulative Quarter	
	30.06.07	30.06.06	30.06.07	30.06.06
	RM'000	RM'000	RM'000	RM'000
Personnel/Staff costs				
- Salaries, allowances and bonuses	26,844	17,814	26,844	17,814
- Others	8,024	6,057	8,024	6,057
Establishment costs				
- Depreciation of property and equipment	1,354	1,146	1,354	1,146
- Amortisation of computer software	362	251	362	251
- Computerisation costs	2,202	1,015	2,202	1,015
- Rental	1,425	821	1,425	821
- Others	389	42	389	42
Marketing and communication expenses				
- Sales commission	504	499	504	499
- Advertising	1,127	689	1,127	689
- Travel and entertainment	1,426	626	1,426	626
- Others	1,182	486	1,182	486
Administration and general expenses				
- Professional fees	6,750	813	6,750	813
- Others	2,713	1,648	2,713	1,648
	<u>54,302</u>	<u>31,907</u>	<u>54,302</u>	<u>31,907</u>

20. ALLOWANCE FOR LOSSES ON LOANS AND FINANCING

Group	Individual Quarter		Cumulative Quarter	
	30.06.07 RM'000	30.06.06 RM'000	30.06.07 RM'000	30.06.06 RM'000
Allowance/(Reversal of allowance) for bad and doubtful debts and financing:				
Specific allowance - net	4,284	5,055	4,284	5,055
<i>Allowance during the period</i>	8,388	6,384	8,388	6,384
<i>Amount written back in respect of recoveries and reversals</i>	(4,104)	(1,329)	(4,104)	(1,329)
General allowance	634	702	634	702
Bad debts and financing				
Written off	55	11	55	11
Recovered	(27,063)	(9,817)	(27,063)	(9,817)
Recoveries of allowance for value impairment on amount recoverable from Danaharta	-	(7)	-	(7)
	(22,090)	(4,056)	(22,090)	(4,056)
Bank				
Allowance/(Reversal of allowance) for bad and doubtful debts and financing:				
Specific allowance- net	4,284	4,327	4,284	4,327
<i>Allowance during the period</i>	8,388	5,658	8,388	5,658
<i>Amount written back in respect of recoveries and reversals</i>	(4,104)	(1,331)	(4,104)	(1,331)
General allowance	1,207	967	1,207	967
Bad debts and financing				
Written off	55	11	55	11
Recovered	(27,063)	(9,817)	(27,063)	(9,817)
Recoveries of allowance for value impairment on amount recoverable from Danaharta	-	(7)	-	(7)
	(21,517)	(4,519)	(21,517)	(4,519)

21. SEGMENTAL INFORMATION

(A) BY BUSINESS SEGMENT

	Individual Quarter		Cumulative Quarter	
	30.06.07 RM'000	30.06.06 RM'000	30.06.07 RM'000	30.06.06 RM'000
Investment banking				
Revenue	247,691	197,539	247,691	197,539
Profit before taxation	76,887	36,840	76,887	36,840
Offshore banking				
Revenue	12,735	13,676	12,735	13,676
Profit before taxation	2,999	1,027	2,999	1,027
Unit trust management				
Revenue	10,583	5,621	10,583	5,621
Profit before taxation	6,275	2,350	6,275	2,350
Asset management				
Revenue	7,610	3,891	7,610	3,891
Profit before taxation	3,663	889	3,663	889
Real estate management				
Revenue	17	572	17	572
Profit before taxation	17	344	17	344
Investment consultant				
Revenue	156	127	156	127
Profit before taxation	70	31	70	31
Stockbroking				
Revenue	50,360	-	50,360	-
Profit before taxation	31,522	1,799	31,522	1,799
Others				
Revenue	580	11	580	11
Profit before taxation	154	889	154	889
Total before consolidation adjustments				
Revenue	329,732	221,437	329,732	221,437
Profit before taxation	121,587	44,169	121,587	44,169
Consolidation adjustments				
Revenue	(4,947)	(2,744)	(4,947)	(2,744)
Profit before taxation	(112)	(1,751)	(112)	(1,751)
Total after consolidation adjustments				
Revenue	324,785	218,693	324,785	218,693
Profit before taxation	121,475	42,418	121,475	42,418

21. SEGMENTAL INFORMATION (CONTD.)

Included in the above is Islamic banking business profit before taxation for the Group and the Bank of RM14.1 million and RM13.9 million, respectively for the quarter and period ended 30 June 2007 (RM3.7 million and RM3.5 million respectively, for the quarter and period ended 30 June 2006).

The financial information by geographical segment is not presented as the Group's activities are principally conducted in Malaysia except for Frasers International Pte. Ltd. and its subsidiary companies, activities of which are principally conducted in Singapore, respectively. These activities in Singapore are not significant (less than 1% of revenue and profit before taxation) in relation to the Group's activities in Malaysia.

22. VALUATIONS OF PROPERTY AND EQUIPMENTS

Property and equipments are stated at cost less accumulated depreciation and impairment losses.

23. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and the Bank for the current financial quarter.

24. CHANGES IN THE COMPOSITION OF THE GROUP AND THE BANK

There were no material changes in the composition of the Group and the Bank for the current financial quarter.

25. BORROWINGS

The maturity structure of deposits and placements of customers and financial institutions and debt securities are as follows:

	Group		Bank	
	30.06.07 RM'000	31.03.07 RM'000	30.06.07 RM'000	31.03.07 RM'000
(i) Deposits from customers				
Due within six months	5,383,764	4,792,903	5,312,237	4,588,276
Six months to one year	302,014	256,375	302,014	256,375
One year to three years	200,622	202,050	200,000	202,050
Total	<u>5,886,400</u>	<u>5,251,328</u>	<u>5,814,251</u>	<u>5,046,701</u>
(ii) Deposits and placements of banks and other financial institutions				
Due within six months	5,953,480	7,032,034	5,964,173	7,116,515
Six months to one year	675,810	393,617	675,255	393,617
One year to three years	681,066	1,083,734	681,066	1,083,734
Three years to five years	1,372,649	1,327,747	1,372,649	1,327,747
Total	<u>8,683,005</u>	<u>9,837,132</u>	<u>8,693,143</u>	<u>9,921,613</u>
<i>Recap :</i>				
Interbank lendings	3,775,436	4,315,378	3,770,321	4,208,334
Interbank borrowings	(3,165,102)	(1,672,830)	(3,204,976)	(1,838,054)
Net interbank lendings	<u>610,334</u>	<u>2,642,548</u>	<u>565,345</u>	<u>2,370,280</u>
(iii) Term loans				
Due within one year				
Secured	<u>135,392</u>	<u>103,680</u>	<u>103,605</u>	<u>103,680</u>
(iv) Redeemable unsecured subordinated bonds				
More than one year	<u>595,000</u>	<u>595,000</u>	<u>595,000</u>	<u>595,000</u>

26. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group and Bank make various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. The commitments and contingencies are not secured against the Group's asset.

As at 30 June 2007, the commitments and contingencies outstanding are as follows:

Group	30.06.07			31.3.07		
	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk Weighted Amount RM'000	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk Weighted Amount RM'000
Derivative Financial Instruments						
Interest rate related contracts:						
Interest rate futures	500,000	101,004	50,502	290,000	7,438	3,719
Interest rate swaps:						
Related companies	9,672,678	178,389	35,479	9,733,356	222,264	44,453
Others	23,997,432	363,520	77,203	22,210,223	535,135	111,156
Foreign exchange related contracts:						
Forward exchange contracts	1,649,290	60,307	12,062	3,178,447	112,043	22,408
Cross currency swaps	808,247	84,396	16,879	811,310	92,886	18,577
Malaysian Government securities futures	-	-	-	5,000	6	3
Equity related contracts:						
Options	128,238	7,667	7,667	165,618	-	-
	<u>36,755,885</u>	<u>795,283</u>	<u>199,792</u>	<u>36,393,954</u>	<u>969,772</u>	<u>200,316</u>
Commitments						
Irrevocable commitments to extend credit maturing :						
within one year	585,462	-	-	538,155	-	-
more than one year	175,768	87,884	87,362	191,815	95,908	95,277
Sell and buy back agreements	2,589,941	2,589,942	1,275,524	2,801,157	2,801,157	1,397,343
Forward purchase commitments	535,668	535,668	54,515	834,911	834,911	218,958
	<u>3,886,839</u>	<u>3,213,494</u>	<u>1,417,401</u>	<u>4,366,038</u>	<u>3,731,976</u>	<u>1,711,578</u>
Contingent Liabilities						
Guarantees given on behalf of customers	959,354	959,354	853,897	700,533	700,533	597,603
Underwriting liabilities	1,456,890	728,445	-	795,000	397,500	257,100
Certain transaction-related contingent items	476,983	238,492	225,820	522,509	261,255	235,918
	<u>2,893,227</u>	<u>1,926,291</u>	<u>1,079,717</u>	<u>2,018,042</u>	<u>1,359,288</u>	<u>1,090,621</u>
	<u>43,535,951</u>	<u>5,935,068</u>	<u>2,696,910</u>	<u>42,778,034</u>	<u>6,061,036</u>	<u>3,002,515</u>

Bank	30.06.07			31.3.07		
	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk Weighted Amount RM'000	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk Weighted Amount RM'000
Derivative Financial Instruments						
Interest rate related contracts:						
Interest rate futures	500,000	101,004	50,502	290,000	7,438	3,719
Interest rate swaps:						
Related companies	9,672,678	178,389	35,479	9,733,356	222,264	44,453
Others	23,997,432	363,520	77,203	22,210,223	535,135	111,156
Foreign exchange related contracts:						
Forward exchange contracts	1,649,290	60,307	12,062	3,178,447	112,043	22,408
Cross currency swaps	808,247	84,396	16,879	811,310	92,886	18,577
Malaysian Government securities futures	-	-	-	5,000	6	3
Equity related contracts:						
Options	128,238	7,667	7,667	165,618	-	-
	<u>36,755,885</u>	<u>795,283</u>	<u>199,792</u>	<u>36,393,954</u>	<u>969,772</u>	<u>200,316</u>
Commitments						
Irrevocable commitments to extend credit maturing:						
within one year	585,462	-	-	538,155	-	-
more than one year	175,768	87,884	87,362	191,815	95,908	95,277
Sell and buy back agreements	2,589,941	2,589,941	1,275,524	2,801,157	2,801,157	1,397,343
Forward purchase commitments	519,008	519,008	37,855	834,911	834,911	218,958
	<u>3,870,179</u>	<u>3,196,833</u>	<u>1,400,741</u>	<u>4,366,038</u>	<u>3,731,976</u>	<u>1,711,578</u>
Contingent Liabilities						
Guarantees given on behalf of customers	956,290	956,290	850,833	697,468	697,468	594,538
Underwriting liabilities	1,456,890	728,445	-	795,000	397,500	257,100
Certain transaction-related contingent items	476,983	238,492	225,820	522,509	261,255	235,918
	<u>2,890,163</u>	<u>1,923,227</u>	<u>1,076,653</u>	<u>2,014,977</u>	<u>1,356,223</u>	<u>1,087,556</u>
	<u>43,516,227</u>	<u>5,915,343</u>	<u>2,677,186</u>	<u>42,774,969</u>	<u>6,057,971</u>	<u>2,999,450</u>

The credit equivalent amount is arrived at using the credit conversion factor as per Bank Negara Malaysia guidelines.

- (a) As required, the Bank has given a continuing guarantee to Bank Negara Malaysia on behalf of AmInternational to meet all its liabilities and financial obligations and requirements.
- (b) A suit dated 12 December 2005 was filed by Meridian Asset Management Sdn Bhd ("Meridian") against AmTrustee Berhad ("AmTrustee"), an associated company of the Bank in respect of a claim amounting to RM27.6 million for alleged loss and damage together with interests and costs arising from AmTrustee's provision of custodian services to Meridian.

Malaysian Assurance Alliance Bhd ("MAA") has claimed its portion of the abovementioned alleged loss, being general damages and special damages of RM19,640,178.83, together with interest and costs. AmTrustee was served on 24 March 2006 with a Writ and Statement of Claim dated 25 January 2006 by solicitors acting for MAA. MAA had appointed Meridian as an external fund manager for certain of its insurance funds, and part of these funds were deposited by Meridian with AmTrustee.

Both claims are pending disposal. Neither material financial loss nor operational impact on the Group is expected as a result of the writs and statements of claim.

AmTrustee has been served on 5 October 2006 with an application to add the Bank as 2nd Defendant to the Writ and Statement of Claim dated 12 December 2005 filed against AmTrustee by solicitors acting for Meridian Asset Management Sdn Bhd (Meridian). The claim by Meridian against the Bank is for alleged loss and damage amounting to RM36,967,166.84 together with interest and costs arising from the provision of custodian services by AmTrustee to Meridian. The application is pending disposal.

Neither material financial nor operational impact is expected on the Group as a result of the addition of the 2nd defendant.

- (c) A Judgment in Default of Appearance dated 29 May 2007 ("JIDA") was entered against the Bank by Unitangkob (Malaysia) Berhad and four (4) others (collectively the "Plaintiffs"). The JIDA was in respect of an alleged breach of contract by the Bank for the sum of RM171,549,000.00 together with interest and further damages and costs ("Unitangkob Action").

Earlier, in a separate case, the Bank sued and successfully obtained judgment against the Plaintiffs on 18 October 2006 ("Judgment") to recover a credit facility of RM16 million ("Bank's Action"). The Judgment against the Plaintiffs was for the sum of RM3,677,603.95, with interest and costs. Pursuant to the Judgment the Bank commenced winding up petition against Unitangkob and Unitangkob is opposing the winding up.

The Bank only came to know of the purported service of Summons to the Unitangkob Action and JIDA upon receipt of the Unitangkob's affidavit in opposition to the winding up petition.

The Bank's lawyers have advised that the JIDA is irregular and the Bank has merits to defend its case, in that the Unitangkob Action is time barred and is an abuse of the court process since the issues have already been dealt with by the Court during the trial in the Bank's Action.

The Bank has successfully obtained a stay of execution on the JIDA and expects a ruling on the setting aside of the JIDA on 1 August 2007.

Neither material financial nor operational impact on the Group is expected as a result of the Unitangkob Action.

27. RELATED PARTY TRANSACTIONS

There were no related party transactions announced during the current financial quarter.

28. DERIVATIVE FINANCIAL INSTRUMENTS

As at 30 June 2007, derivative financial instruments outstanding are as follows:

The Group and the Bank

Items	Principal Amount RM'000	1 month or less RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	>1 - 5 years RM'000	>5 years RM'000	Margin requirement
Interest rate related contracts :								
Interest rate futures	500,000	-	190,000	90,000	150,000	70,000	-	4,040
Interest rate swaps	33,670,110	430,000	1,320,000	1,895,000	9,033,772	19,879,350	1,111,988	11,853
Foreign exchange related contracts :								
Forward exchange contracts	1,649,290	551,597	357,558	645,775	94,360	-	-	965
Cross currency swaps	808,247	-	138,140	-	-	670,107	-	1,350
Equity related contracts:								
Options	128,238	-	10,541	19,195	16,745	81,757	-	-
Total	36,755,885	981,597	2,016,239	2,649,970	9,294,877	20,701,214	1,111,988	18,208

RISK MANAGEMENT POLICY ON FINANCIAL DERIVATIVES

Purpose of engaging in financial derivatives

Financial derivative instruments are contracts whose value is derived from one or more underlying financial instruments or indices. They include swaps, forward rate agreements, futures, options and combinations of these instruments. Derivatives are contracts that transfer risks, mainly market risks. Financial derivatives is one of the financial instruments engaged by the Group both for revenue purposes as well as to manage the Group's own market risk exposure. The Group's involvement in financial derivatives is currently focussed on interest rate derivatives and foreign exchange rate derivatives.

The principal exchange rate contracts used are forward foreign exchange contracts and cross currency swaps. Forward foreign exchange contracts are agreements to buy or sell a specified quantity of foreign currency on a specified future date at an agreed rate. A cross currency swap generally involves the exchange, or notional exchange, of equivalent amounts of two currencies and a commitment to exchange interest periodically until the principal amounts are re-exchanged on a future date.

The principal interest rate contracts used are interest rate futures, interest rate swaps and forward rate agreements. Forward rate agreements are contracts for the payment of the difference between a specified interest rate and a reference rate on a notional deposit at a future settlement date. There is no exchange of principal. An interest rate futures is an exchange traded contract whose value is based on the difference between a specific interest rate and a reference rate on a notional deposit at a future settlement date. Interest rate swap transactions generally involve the exchange of fixed and floating interest payment obligations without the exchange of the underlying principal amounts.

For revenue purposes the Group maintains trading positions in these instruments and engages in transactions with customers to satisfy their needs in managing their respective interest rate and foreign exchange rate exposures. Derivative transactions generate income for the Group from the buy-sell spreads. The Group also takes conservative exposures, within acceptable limits, to carry an inventory of these instruments in order to provide market liquidity and to earn potential gains on fluctuations in the value of these instruments.

As part of the asset and liability exposure management, the Group uses derivatives to manage the Group's market risk exposure. As the value of these financial derivatives are principally driven by interest rate and foreign exchange rate factors, the Group uses them to reduce the overall interest rate and foreign exchange rate exposures of the Group. These are performed by entering into an exposure in derivatives that produces opposite value movements vis-à-vis exposures generated by other non-derivative activities of the Group. The Group manages these risks on a portfolio basis. Hence, exposures on derivatives are aggregated or netted against similar exposures arising from other financial instruments engaged by the Group.

Risk associated with financial derivatives

As derivatives are contracts that transfer risks, they expose the holder to the same types of market and credit risk as other financial instruments, and the Group manages these risks in a consistent manner under the overall risk management framework.

Market risk of derivatives used for trading purposes

Market risk arising from the above interest rate-related, foreign exchange-related derivatives and equity related contracts measures the potential losses to the value of these contracts due to changes in market rates/prices. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions.

The contractual amounts of these contracts provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. Value at risk method is used to measure the market risk from these contracts. Value at risk, is a statistical measure that estimates the potential changes in portfolio value that may occur brought about by potential changes in market rates over a defined period at a 99% confidence level under normal market condition.

As at 30 June 2007, value at risk of foreign exchange-related derivatives contracts used for trading purposes of the Group and the Bank was RM2,400,097 (RM1,424,763 as at 31 March 2007).

The value at risk of the interest rate derivatives related contracts used for trading purposes of the Group and the Bank was RM17,939,279 (RM7,851,503 as at 31 March 2007).

The value at risk of the options related contracts used for trading purposes of the Group and the Bank was RM2,144,034 (RM26,007,862 as at 31 March 2007).

The use of these instruments to hedge underlying exposures arising from funding or for fixed income instruments acquired for investment purposes are not included in the market risk numbers above.

Credit risk

Counterparty credit risk arises from the possibility that a counterparty may be unable to meet the terms of the derivatives contract. Unlike conventional asset instruments, the Group's financial loss is not the entire contracted principal value of the derivatives, but rather a fraction equivalent to the cost to replace the defaulted contract with another in the market. The cost of replacement is equivalent to the difference between the original value of the derivatives at time of contract with the defaulted counter party and the current fair value of a similar substitute at current market prices. The Group will only suffer a replacement cost if the contract carries a fair value gain at time of default.

As at 30 June 2007, the amounts of counterparty credit risk, measured in term of the cost to replace the profitable contracts of the Group and the Bank was RM121,125,664 (RM27,277,893 as at 31 March 2007). This amount will increase or decrease over the life of the contracts, mainly as a function of movement in market rates and time.

The Group limits its credit risk within a conservative framework by dealing with creditworthy counterparties, setting credit limits on exposures to counterparties and obtaining collateral where appropriate.

Derivative Financial Instruments And Hedge Accounting

Derivative financial instruments are measured at fair value and are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gain or loss arising from the change in the fair value of the derivative instrument is recognised in the income statements unless they are part of a hedging relationship which qualifies for hedge accounting where the gain or loss is recognised as follows:

(i) Fair value hedge

Where a derivative financial instrument hedges the changes in fair value of a recognised asset or liability, any gain or loss on the hedging instruments is recognised in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in the income statement.

(ii) Cash flow hedge

Gains and losses on the hedging instruments, to the extent that the hedge is effective, are deferred in the separate component of equity. The ineffective part of any gain or loss is recognised in the income statement. The deferred gains and losses are then released to the income statement in the periods when the hedged item affects the income statement.

The following table shows the interest rate sensitivity gap, by time bands, on which interest rates of instruments are next repriced on a contractual basis or, if earlier, the dates on which the instruments mature.

Group 30.06.07	<-----Non-trading book ----->							Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000			
ASSETS										
Cash and short-term funds	1,608,628	-	-	-	-	-	1,153,203	-	2,761,831	4.07
Securities purchased under resale agreements	863,318	-	-	-	-	-	-	-	863,318	2.85
Deposits and placements with banks and other financial institutions	-	338,140	104,368	-	-	749,500	-	-	1,192,008	6.18
Securities held-for-trading	-	-	-	-	-	-	-	4,939,729	4,939,729	2.46
Securities available-for-sale	419,504	848,902	-	-	509,913	402,793	34,922	-	2,216,034	4.74
Securities held-to-maturity	50,373	88,897	147,417	25,301	625,931	172,712	63,336	-	1,173,967	1.29
Loans, advances and financing:										
- performing	1,816,875	1,580,152	190,462	135,973	354,806	42,436	(9,156)	-	4,111,548	6.39
- non-performing *	-	-	-	-	-	-	111,849	-	111,849	-
Amount due from Originators	7,938	-	-	12,023	28,689	-	-	-	48,650	4.30
Other non-interest sensitive balances	-	-	-	-	-	-	1,727,397	-	1,727,397	-
TOTAL ASSETS	4,766,636	2,856,091	442,247	173,297	1,519,339	1,367,441	3,081,551	4,939,729	19,146,331	
LIABILITIES AND EQUITY										
Deposits from customers	3,732,280	990,337	232,949	216,097	200,000	-	514,737	-	5,886,400	3.50
Deposits and placements of banks and other financial institutions	4,909,571	566,212	318,118	673,902	762,951	1,290,110	162,141	-	8,683,005	2.64
Obligations on securities sold under repurchase agreements	180,309	7,681	1,111	-	-	-	-	-	189,101	3.34
Recourse obligations on loans sold to Cagamas Berhad	7,938	-	-	12,023	28,689	-	-	-	48,650	4.30
Term loans	31,787	-	-	103,605	-	-	-	-	135,392	5.61

Group	<-----Non-trading book ----->							Non- interest sensitive	Trading Book	Total	Effective interest rate %
	Up to 1 month	>1 - 3 months	>3 - 6 months	>6 - 12 months	1 - 5 years	Over 5 years	RM'000				
30.06.07	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Redeemable unsecured subordinated bonds	-	-	-	-	-	595,000	-	-	595,000	6.10	
Other non-interest sensitive balances	-	-	-	-	-	-	1,623,551	-	1,623,551	-	
Total Liabilities	8,861,885	1,564,230	552,178	1,005,627	991,640	1,885,110	2,300,429	-	17,161,099		
Share capital	-	-	-	-	-	-	340,000	-	340,000		
Reserves							1,645,232	-	1,645,232	-	
TOTAL LIABILITIES AND EQUITY	8,861,885	1,564,230	552,178	1,005,627	991,640	1,885,110	4,285,661	-	19,146,331		
On-balance sheet interest rate gap sensitivity	(4,095,249)	1,291,861	(109,931)	(832,330)	527,699	(517,669)	(1,204,110)	4,939,729	-		
Off-balance sheet interest rate gap sensitivity	(1,015,697)	7,667,795	(587,869)	(2,996,948)	(3,797,806)	763,417	-	-	32,892		
Total interest rate gap sensitivity	(5,110,946)	8,959,656	(697,800)	(3,829,278)	(3,270,107)	245,748	(1,204,110)	4,939,729	32,892		
Cumulative interest rate gap sensitivity	(5,110,946)	3,848,710	3,150,910	(678,368)	(3,948,475)	(3,702,727)	(4,906,837)	32,892			

* This is arrived at after deducting the general allowance and specific allowance from gross non-performing loans outstanding.

Group 31.3.07	<-----Non-trading book ----->						Non- interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000				
ASSETS										
Cash and short-term funds	2,701,042	-	-	-	-	-	782,655	-	3,483,697	3.93
Securities purchased under resale agreements	393,329	-	-	-	-	-	-	-	393,329	2.92
Deposits and placements with banks and other financial institutions	-	1,075,713	3,628	-	-	749,500	-	-	1,828,841	6.06
Securities held-for-trading	-	-	-	-	-	-	-	5,734,091	5,734,091	3.90
Securities available-for-sale	705,048	1,002,593	946,873	-	447,834	278,285	39,107	-	3,419,740	4.09
Securities held-to-maturity	1,340	-	139,763	151,905	556,277	172,900	169,412	-	1,191,597	6.64
Loans, advances and financing:										
- performing	1,851,092	1,730,499	86,266	78,591	258,826	18,616	41,642	-	4,065,532	6.39
- non-performing *	-	-	-	-	-	-	116,125	-	116,125	-
Amount due from Originators	-	400	9,441	2,980	39,600	-	-	-	52,421	4.30
Other non-interest sensitive balances	-	-	-	-	-	-	1,693,758	-	1,693,758	-
TOTAL ASSETS	5,651,851	3,809,205	1,185,971	233,476	1,302,537	1,219,301	2,842,699	5,734,091	21,979,131	
LIABILITIES AND EQUITY										
Deposits from customers	3,028,870	1,121,422	292,142	162,496	221,528	-	424,870	-	5,251,328	3.58
Deposits and placements of banks and other financial institutions	4,254,941	1,582,415	770,335	387,713	1,062,070	1,290,584	489,074	-	9,837,132	4.15
Obligations on securities sold under repurchase agreements	2,737,032	49,275	3,072	-	-	-	-	-	2,789,379	3.38
Recourse obligations on loans sold to Cagamas Berhad	-	400	9,441	2,980	39,600	-	-	-	52,421	4.30
Term loans	-	-	-	103,680	-	-	-	-	103,680	5.60
Redeemable unsecured subordinated bonds	-	-	-	-	-	595,000	-	-	595,000	6.10

Group 31.3.07	<-----Non-trading book ----->						Non- interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000				
Other non-interest sensitive balances	-	-	-	-	-	-	1,457,483	-	1,457,483	-
Total Liabilities	10,020,843	2,753,512	1,074,990	656,869	1,323,198	1,885,584	2,371,427	-	20,086,423	-
Share capital	-	-	-	-	-	-	340,000	-	340,000	-
Reserves	-	-	-	-	-	-	1,552,708	-	1,552,708	-
TOTAL LIABILITIES AND EQUITY	10,020,843	2,753,512	1,074,990	656,869	1,323,198	1,885,584	4,264,135	-	21,979,131	
On-balance sheet interest rate gap sensitivity	(4,368,992)	1,055,693	110,981	(423,393)	(20,661)	(666,283)	(1,421,436)	5,734,091	-	
Off-balance sheet interest rate gap sensitivity	(3,257,352)	1,198,962	(600,545)	484,174	1,354,685	908,233	-	-	88,157	
Total interest rate gap sensitivity	(7,626,344)	2,254,655	(489,564)	60,781	1,334,024	241,950	(1,421,436)	5,734,091	88,157	
Cumulative interest rate gap sensitivity	(7,626,344)	(5,371,689)	(5,861,253)	(5,800,472)	(4,466,448)	(4,224,498)	(5,645,934)	88,157		

* This is arrived at after deducting the general allowance and specific allowance from gross non-performing loans outstanding.

Bank 30.06.07	<-----Non-trading book ----->							Non- interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000					
ASSETS											
Cash and short-term funds	1,596,578	-	-	-	-	-	1,075,271	-	-	2,671,849	3.86
Securities purchased under resale agreements	824,162	-	-	-	-	-	-	-	-	824,162	2.85
Deposits and placements with banks and other financial institutions	-	338,140	103,605	-	-	749,500	-	-	-	1,191,245	6.18
Securities held-for-trading	-	-	-	-	-	-	-	4,923,003	4,923,003	-	2.44
Securities available-for-sale	402,220	848,902	-	-	509,913	402,793	33,952	-	-	2,197,780	4.69
Securities held-to-maturity	50,373	81,990	119,789	15,555	625,931	172,712	63,334	-	-	1,129,684	1.04
Loans, advances and financing:											
- performing	1,787,939	1,568,493	190,462	135,973	348,561	41,927	360	-	-	4,073,715	6.38
- non-performing *	-	-	-	-	-	-	102,574	-	-	102,574	-
Amount due from Originators	7,938	-	-	12,023	28,689	-	-	-	-	48,650	4.30
Other non-interest sensitive balances	-	-	-	-	-	-	1,293,251	-	-	1,293,251	-
TOTAL ASSETS	4,669,210	2,837,525	413,856	163,551	1,513,094	1,366,932	2,568,742	4,923,003	18,455,913		
LIABILITIES AND EQUITY											
Deposits from customers	3,662,743	987,723	232,949	216,097	200,000	-	514,739	-	-	5,814,251	3.44
Deposits and placements of banks and other financial institutions	4,869,511	648,934	318,119	641,377	762,951	1,290,110	162,141	-	-	8,693,143	2.60
Obligations on securities sold under repurchase agreements	147,785	7,681	1,111	32,524	-	-	-	-	-	189,101	3.34
Recourse obligations on loans sold to Cagamas Berhad	7,938	-	-	12,023	28,689	-	-	-	-	48,650	4.30
Term loans	-	-	-	103,605	-	-	-	-	-	103,605	5.61
Redeemable unsecured subordinated bonds	-	-	-	-	-	595,000	-	-	-	595,000	6.10

Bank 30.06.07	<-----Non-trading book ----->						Non- interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000				
Other non-interest sensitive balances	-	-	-	-	-	-	1,130,988	-	1,130,988	-
Total Liabilities	8,687,977	1,644,338	552,179	1,005,626	991,640	1,885,110	1,807,868	-	16,574,738	-
Share capital	-	-	-	-	-	-	340,000	-	340,000	-
Reserves	-	-	-	-	-	-	1,541,175	-	1,541,175	-
TOTAL LIABILITIES AND EQUITY	8,687,977	1,644,338	552,179	1,005,626	991,640	1,885,110	3,689,043	-	18,455,913	
On-balance sheet interest rate gap sensitivity	(4,018,767)	1,193,187	(138,323)	(842,075)	521,454	(518,178)	(1,120,301)	4,923,003	-	-
Off-balance sheet interest rate gap sensitivity	(1,015,697)	7,667,795	(587,869)	(2,996,948)	(3,797,806)	763,417	-	-	32,892	-
Total interest rate gap sensitivity	(5,034,464)	8,860,982	(726,192)	(3,839,023)	(3,276,352)	245,239	(1,120,301)	4,923,003	32,892	
Cumulative interest rate gap sensitivity	(5,034,464)	3,826,518	3,100,326	(738,697)	(4,015,049)	(3,769,810)	(4,890,111)	32,892		

* This is arrived at after deducting the general allowance and specific allowance from gross non-performing loans outstanding.

Bank 31.3.07	<-----Non-trading book ----->						Non- interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000				
ASSETS										
Cash and short-term funds	2,539,711	-	-	-	-	-	737,071	-	3,276,782	3.81
Securities purchased under resale agreements	374,155	-	-	-	-	-	-	-	374,155	2.92
Deposits and placements with banks and other financial institutions	-	1,175,328	-	-	-	749,500	-	-	1,924,828	6.08
Securities held-for-trading	-	-	-	-	-	-	-	5,700,187	5,700,187	3.89
Securities available-for-sale	705,048	1,002,593	946,873	-	447,834	278,287	20,805	-	3,401,440	4.08
Securities held-to-maturity	1,340	-	139,763	138,005	630,363	172,900	64,596	-	1,146,967	6.64
Loans, advances and financing:										
- performing	1,774,547	1,730,499	105,402	78,591	273,058	18,084	363	-	3,980,544	6.39
- non-performing *	-	-	-	-	-	-	116,125	-	116,125	-
Amount due from Originators	-	400	9,441	2,980	39,600	-	-	-	52,421	4.30
Other non-interest sensitive balances	-	-	-	-	-	-	1,564,677	-	1,564,677	-
TOTAL ASSETS	5,394,801	3,908,820	1,201,479	219,576	1,390,855	1,218,771	2,503,637	5,700,187	21,538,126	
LIABILITIES AND EQUITY										
Deposits from customers	2,829,551	1,118,050	291,231	162,387	221,528	-	423,954	-	5,046,701	3.51
Deposits and placements of banks and other financial institutions	4,372,596	1,582,418	770,335	387,713	1,062,070	1,290,584	455,897	-	9,921,613	4.11
Obligations on securities sold under repurchase agreements	2,737,032	49,275	3,072	-	-	-	-	-	2,789,379	3.38
Recourse obligation on loans sold to Cagamas Berhad	-	400	9,441	2,980	39,600	-	-	-	52,421	4.30
Term loan	-	-	-	103,680	-	-	-	-	103,680	5.60

Bank	<-----Non-trading book ----->							Non-interest sensitive	Trading Book	Total	Effective interest rate
	Up to 1 month	>1 - 3 months	>3 - 6 months	>6 - 12 months	1 - 5 years	Over 5 years	RM'000				
31.3.07											
Redeemable unsecured subordinated bonds	-	-	-	-	-	595,000	-	-	595,000	6.10	
Other non-interest sensitive balances	-	-	-	-	-	-	1,229,972	-	1,229,972	-	
Total Liabilities	9,939,179	2,750,143	1,074,079	656,760	1,323,198	1,885,584	2,109,823	-	19,738,766		
Share capital	-	-	-	-	-	-	340,000	-	340,000	-	
Reserves	-	-	-	-	-	-	1,459,360	-	1,459,360	-	
TOTAL LIABILITIES AND EQUITY	9,939,179	2,750,143	1,074,079	656,760	1,323,198	1,885,584	3,909,183	-	21,538,126		
On-balance sheet interest rate gap sensitivity	(4,544,378)	1,158,677	127,400	(437,184)	67,657	(666,813)	(1,405,546)	5,700,187	-		
Off-balance sheet interest rate gap sensitivity	(3,257,352)	1,198,962	(600,545)	484,174	1,354,685	908,233	-	-	88,157		
Total interest rate gap sensitivity	(7,801,730)	2,357,639	(473,145)	46,990	1,422,342	241,420	(1,405,546)	5,700,187	88,157		
Cumulative interest rate gap sensitivity	(7,801,730)	(5,444,091)	(5,917,236)	(5,870,246)	(4,447,904)	(4,206,484)	(5,612,030)	88,157			

* This is arrived at after deducting the general allowance and specific allowance from gross non-performing loans outstanding.

30. CAPITAL ADEQUACY

The capital adequacy ratios of the Group and the Bank (including the operation of AmInternational (L) Ltd) as at 30 June 2007 are analysed as follows:

	Group		Bank	
	30.6.07 RM'000	31.3.07 RM'000	30.6.07 RM'000	31.3.07 RM'000
Tier 1 capital				
Paid-up ordinary share capital	240,000	240,000	240,000	240,000
Paid-up non-cumulative preference share capital	100,000	100,000	100,000	100,000
Share premium	190,284	190,284	190,284	190,284
Capital reserve	2,815	2,815	-	-
Statutory reserve	389,500	389,500	389,500	389,500
Exchange fluctuation reserve	28,477	28,477	23,157	23,157
Unappropriated profit at end of period/year	928,752	928,752	891,048	891,048
	<u>1,879,828</u>	<u>1,879,828</u>	<u>1,833,989</u>	<u>1,833,989</u>
Less: Deferred tax assets, net	(43,468)	(43,468)	(43,083)	(43,083)
Goodwill	(46,866)	(46,866)	-	-
Total Tier 1 capital	<u>1,789,494</u>	<u>1,789,494</u>	<u>1,790,906</u>	<u>1,790,906</u>
Tier 2 capital				
Redeemable unsecured subordinated bonds	595,000	595,000	595,000	595,000
General allowance for bad and doubtful debts	64,957	63,905	64,959	63,905
Total	<u>659,957</u>	<u>658,905</u>	<u>659,959</u>	<u>658,905</u>
Total capital funds	2,449,451	2,448,399	2,450,865	2,449,811
Less: Investment in capital of related financial institutions	55,096	56,074	55,096	56,074
Investment in subsidiary companies	-	-	121,852	121,852
Capital base	<u>2,394,355</u>	<u>2,392,325</u>	<u>2,273,917</u>	<u>2,271,885</u>
Capital Ratios:				
Core capital ratio	10.88%	11.75%	11.32%	12.00%
Risk-weighted capital ratio	14.56%	15.71%	14.38%	15.22%
Core capital ratio (net of proposed ordinary dividend)	10.40%	11.23%	10.82%	11.46%
Risk-weighted capital ratio (net of proposed ordinary dividend)	<u>14.08%</u>	<u>15.18%</u>	<u>13.87%</u>	<u>14.68%</u>

(ii) Breakdown of gross risk-weighted assets in the various categories of risk-weights:

Group	30.06.07		31.03.07	
	Principal Amount RM'000	Risk-Weighted Amount RM'000	Principal Amount RM'000	Risk-Weighted Amount RM'000
0%	1,354,958	-	2,359,827	-
10%	1,613	161	1,359	136
20%	5,569,488	1,113,898	7,168,582	1,433,716
50%	231,265	115,633	228,956	114,478
100%	8,818,295	8,818,295	7,900,813	7,900,813
	<u>15,975,619</u>	<u>10,047,986</u>	<u>17,659,537</u>	<u>9,449,143</u>
Add: Counterparty Risk Requirements for unsettled trades		2,546		-
Add: Total risk weighted assets equivalent for market risk		6,391,121		5,778,833
Add: Large exposure risk requirement for single equity		449		449
		<u>16,442,102</u>		<u>15,228,425</u>
Bank	30.06.07		31.03.07	
	Principal Amount RM'000	Risk-Weighted Amount RM'000	Principal Amount RM'000	Risk-Weighted Amount RM'000
0%	1,354,946	-	2,359,815	-
10%	1,613	161	1,359	136
20%	5,466,072	1,093,214	7,062,589	1,412,518
50%	231,067	115,534	228,757	114,378
100%	8,217,145	8,217,145	7,622,487	7,622,487
	<u>15,270,843</u>	<u>9,426,054</u>	<u>17,275,007</u>	<u>9,149,519</u>
Add: Total risk weighted assets equivalent for market risk		6,391,121		5,778,833
Add: Large exposure risk requirement for single equity		449		449
		<u>15,817,624</u>		<u>14,928,801</u>

31. OPERATIONS OF ISLAMIC BANKING

BALANCE SHEETS AS AT 30 JUNE 2007

The state of affairs as at 30 June 2007 and the results for the period ended 30 June 2007 of the Islamic banking business of the Group and the Bank and included in the financial statements after elimination of intercompany transactions and balances are summarised as follows:

	Group		Bank	
	30.06.07 RM'000	31.03.07 RM'000	30.06.07 RM'000	31.03.07 RM'000
ASSETS				
Cash and short-term funds	976,605	704,124	976,601	704,121
Securities held-for-trading	27,718	407,673	27,718	407,673
Securities available-for-sale	17,827	17,596	-	-
Securities held-to-maturity	34,614	35,092	-	-
Financing, advances and other loans	33,878	33,649	33,878	33,649
Statutory deposit with				
Bank Negara Malaysia	14,500	14,500	14,500	14,500
Other receivables, deposits and prepayments	11,647	10,348	11,647	10,348
Property and equipment	35	33	35	33
Deferred tax assets	158	158	158	158
TOTAL ASSETS	1,116,982	1,223,173	1,064,537	1,170,482
LIABILITIES AND ISLAMIC BANKING FUNDS				
Deposits from customers	515,623	424,870	514,737	423,843
Deposits and placements of banks and other financial institutions	274,498	489,074	244,463	455,897
Converted fund	17,073	14,197	-	-
Other liabilities	16,570	12,117	16,387	11,968
Total Liabilities	823,764	940,258	775,587	891,708
ISLAMIC BANKING FUNDS				
Capital funds	102,839	102,839	100,000	100,000
Reserves	190,379	180,076	188,950	178,774
Islamic Banking Funds	293,218	282,915	288,950	278,774
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	1,116,982	1,223,173	1,064,537	1,170,482
COMMITMENTS AND CONTINGENCIES				
	3,163,919	3,401,236	3,163,919	3,401,236

**UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2007**

Group	Individual Quarter		Cumulative Quarter	
	30.06.07	30.06.06	30.06.07	30.06.06
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	6,098	5,734	6,098	5,734
Writeback of allowance for losses on financing	383	456	383	456
Transfer (to)/from profit equalisation reserve	(32)	181	(32)	181
Total attributable income	6,449	6,371	6,449	6,371
Income attributable to depositors	(6,786)	(6,646)	(6,786)	(6,646)
Loss attributable to the Group	(337)	(275)	(337)	(275)
Income derived from investment of Islamic Banking Funds	15,445	5,229	15,445	5,229
Total net income	15,108	4,954	15,108	4,954
Other operating expenses	(1,004)	(1,291)	(1,004)	(1,291)
Profit before taxation	14,104	3,663	14,104	3,663
Taxation	(3,764)	(978)	(3,764)	(978)
Profit after taxation	10,340	2,685	10,340	2,685

**UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2007**

Bank	Individual Quarter		Cumulative Quarter	
	30.06.07	30.06.06	30.06.07	30.06.06
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	5,317	4,661	5,317	4,661
Writeback of allowance for losses on financing	383	456	383	456
Transfer from profit equalisation reserve	-	181	-	181
Total attributable income	5,700	5,298	5,700	5,298
Income attributable to depositors	(6,130)	(5,687)	(6,130)	(5,687)
Loss attributable to the Group	(430)	(389)	(430)	(389)
Income derived from investment of Islamic Banking Funds	15,376	5,175	15,376	5,175
Total net income	14,946	4,786	14,946	4,786
Other operating expenses	(1,004)	(1,291)	(1,004)	(1,291)
Profit before taxation	13,942	3,495	13,942	3,495
Taxation	(3,764)	(978)	(3,764)	(978)
Profit after taxation	10,178	2,517	10,178	2,517

31a. FINANCING ACTIVITIES

	Group		Bank	
	30.06.07 RM'000	31.3.07 RM'000	30.06.07 RM'000	31.3.07 RM'000
Term financing				
Syndicated financing	19,344	19,730	19,344	19,730
Other term financing	15,021	15,026	15,021	15,026
Revolving credit	23,180	22,943	23,180	22,943
Gross financing	57,545	57,699	57,545	57,699
Allowance for bad and doubtful debts and financing :				
- general	(516)	(513)	(516)	(513)
- specific	(23,151)	(23,537)	(23,151)	(23,537)
	(23,667)	(24,050)	(23,667)	(24,050)
Net financing	33,878	33,649	33,878	33,649

Movements in non-performing financing, advances and other loans are as follows:

	Group		Bank	
	30.06.07 RM'000	31.3.07 RM'000	30.06.07 RM'000	31.3.07 RM'000
Gross				
Balance at beginning of period/year	23,537	39,920	23,537	39,920
Non-performing during the period/year	-	50	-	50
Amount written-off	-	(16,103)	-	(16,103)
Recoveries	(386)	(330)	(386)	(330)
Balance at end of period/year	23,151	23,537	23,151	23,537
Specific allowance	(23,151)	(23,537)	(23,151)	(23,537)
Net non-performing financing	-	-	-	-
Ratio of net non-performing financing to total financing - net	-	-	-	-

Movements in allowances for bad and doubtful financing are as follows:

	Group		Bank	
	30.06.07 RM'000	31.3.07 RM'000	30.06.07 RM'000	31.3.07 RM'000
General Allowance				
Balance at beginning of period/year	513	1,125	513	1,125
Allowance/(reversal of allowance) during the period/year	3	(612)	3	(612)
Balance at end of period/year	516	513	516	513
% of total financing less specific allowance	1.50%	1.50%	1.50%	1.50%
Specific Allowance				
Balance at beginning of period/year	23,537	29,911	23,537	29,911
(Reversal of allowance)/Allowance during the period/year	(386)	9,870	(386)	9,870
Amount written off	-	(16,244)	-	(16,244)
Balance at end of period/year	23,151	23,537	23,151	23,537

31b. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	30.06.07	31.3.07	30.06.07	31.3.07
	RM'000	RM'000	RM'000	RM'000
Mudarabah				
Special Investment deposits	515,623	424,870	514,737	423,843

31c. OTHER LIABILITIES

	Group		Bank	
	30.06.07	31.3.07	30.06.07	31.3.07
	RM'000	RM'000	RM'000	RM'000
Other payables and accruals	3,574	2,784	3,573	2,784
Taxation and zakat payable	12,695	9,089	12,695	9,089
Profit equalisation reserve	277	244	95	95
Valuation adjustment on securities held for trading	24	-	24	-
	<u>16,570</u>	<u>12,117</u>	<u>16,387</u>	<u>11,968</u>

32. CHANGE IN ACCOUNTING POLICIES AND RECLASSIFICATION

(a) Changes in accounting policy

During the financial quarter, the Group and Bank has adopted the revised FRS 117: Leases issued by MASB that is effective for the Group and Bank's annual reporting date, 31 March 2008 which have resulted in changes in accounting policies as follows:

FRS 117: Leases

Prior to 1 April 2007, lease of land and buildings held for own use was classified as property and equipment and was stated at cost less accumulated depreciation and impairment loss. The adoption of the revised FRS 117: Leases in 2007 resulted in a change in the accounting policy relating to the classification of leases of land and buildings. Under FRS 117, lease of land and buildings are classified as operating or finance leases in the same way as leases of other assets. The land and building elements of a lease of land and buildings are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as operating lease. The up-front payments made are allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and building element of the lease at the inception of the lease. The up-front payment represents prepaid land lease payment and is amortised on a straight-line basis over the remaining lease term.

The Group and the Bank have applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 April 2007, the unamortised carrying amount of leasehold land is classified as prepaid land lease payments. The reclassification of leasehold land as prepaid land lease payments has been accounted for retrospectively. Certain comparatives of the balance sheets of the Group and the Bank as at 31 March 2007 have been restated. There were no effects on the income statements of the Group and the Bank for the 1st quarter ended 30 June 2007.

(b) Restatement of comparatives

The following comparative amounts for the Group have been restated as a result of adopting FRS 117: Leases.

	As previously reported RM'000	Effect of change RM'000	As restated RM'000
Prepaid land lease payments	-	2,716	2,716
Property and equipment	39,474	(2,716)	36,758

33. PERFORMANCE REVIEW ON THE RESULTS OF THE BANK FOR THE QUARTER

The Bank posted a higher pretax profit of RM106.5 million for the quarter as compared to RM32.9 million for the quarter ended 30 June 2006, mainly due to net gain from sale of securities held for trading of RM78.9 million as compared to net loss of RM11.4 million for the quarter ended 30 June 2006 and higher fee income of RM59.1 million as compared to RM15.0 million for the quarter ended 30 June 2006 reduced by higher allowance for losses on loans and financing of RM21.5 million (RM4.5 million for the quarter ended 30 June 2006).

34. PERFORMANCE REVIEW ON THE RESULTS OF THE GROUP AND THE BANK FOR THE PERIOD

For the period ended 30 June 2007, the Group and the Bank reported higher pretax profit of RM121.5 million (RM42.4 million for the period ended 30 June 2006) and RM106.5 million (RM32.9 million for the period ended 30 June 2006), respectively and are attributed to:

- (i) Higher investment and trading income of RM24.9 million and RM25.6 million for the Group and the Bank, respectively as compared to net loss of RM4.2 million and RM3.8 million for the period ended 30 June 2006.
- (ii) Higher fee income of RM87.1 million and RM59.1 million (RM30.2 million and RM15.0 million for the period ended 30 June 2006) for the Group and the Bank, respectively.
- (iii) Higher income from Islamic banking business of RM14.8 million and RM14.6 million for the Group and the Bank, respectively (RM4.3 million for the Group and RM4.1 million for the Bank for the period ended 30 June 2006).

Shareholder's equity stood at RM1,985.2 million (RM1,892.7 million as at 31 March 2007) for the Group and RM1,881.2 million (RM1,799.4 million as at 31 March 2007) for the Bank.

In the opinion of the directors, the results of operations of the Group and the Bank for the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and the Bank for the succeeding financial year.

35. CURRENT PERIOD PROSPECTS

Going forward, the Group will continue to improve its core competencies while looking for opportunities to take advantage of market trends and introduce innovative products to suit its customers' financial needs in these prevailing market conditions.